

KALKINE MEDIA MAGAZINE

July 2022



■ **IS CRYPTO VIABLE IN THE LONG TERM?**

■ **WHAT RBA'S BACK-TO-BACK RATE HIKES MEAN FOR AUSSIES**

■ **EMERGENCE OF SILICON ANODES TO FAST-TRACK EV ADOPTION**

■ **DID YOU KNOW RUSSIAN RUBLE IS WINNING AGAINST THE GREENBACK?**

ABOUT KALKINE GROUP

Kalkine Group is a prominent name in the subscription & media sales line of business. A renowned equity market research, investor relations and media house firm, Kalkine Group caters to the share markets of Australia, the UK, Canada, United States, and New Zealand. The Company is also eying the growing Ireland market.

Kalkine Media provides trending and live news articles about listed companies belonging to diverse sectors and market commentaries. Interestingly, Kalkine Media also operates on the model of Advertiser – a Publisher firm under its B2B umbrella, providing a dedicated platform to the subscribed clients to leverage various offerings like exclusive banners, sponsored article coverages, videos, and podcasts.

Periodic investor focused events and webinars provide a crucial platform for several listed players/private companies to present their business vision amidst broader industrial landscape and to interact with core audience including Brokers, Fund Managers/SMSF Investor Managers, Sophisticated Investors, Senior Business Executives and Retail Investors.

TEAM KALKINE MEDIA

Team Kalkine Media comprises specialists including equity, currency, commodity, and economic analysts providing in-depth and unbiased up-to-date analysis. The team of analysts, sector-specific journalists and editors have hands on experience in developing industry breaking and trending equity and economic news. The team strives to work on the vision of establishing a strong foothold, primarily as a reliable media firm.



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KUNAL SAWHNEY

Founder & CEO

Kunal Sawhney is the Founder & CEO at Kalkine Group and is a richly experienced and accomplished financial professional with a wealth of knowledge in the Australian equities market. His knowledge, skillset and vision provided all the perfect ingredients required to start one of the fastest growing equity market research firms across Australia. This was further supported by the aim of channelising energy and enthusiasm towards the stock market into a leading media research firm.



KALKINE FOOTPRINT



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Note From The **EDITOR**

With inflation rising and markets across the world witnessing pressure, the economic outlook looks clouded. During such volatile times, it is best to keep your composure and take all decisions only after an in-depth analysis of your financial needs and situation. It is time to take charge of your own financial situation and that too without entering the panic mode. On that note, Kalkine Media is excited to share the July issue of the Kalkine Magazine.

A section of crypto enthusiasts is pinning high hopes on windfall returns on their investments over the longer horizon. Bitcoin's journey -- from the S&P Dow Jones launching indices to follow its price and acceptance as legal tender in El Salvador to ace investors like Warren Buffett rubbishing it as useless and this year's steep loss of value -- has been full of surprises. Know if cryptos are viable in the long term in an in-depth coverage in the July issue.

The Reserve Bank has a knack for surprising the population with its monetary policy moves. The latest cash rate hike of 0.50% seems to have burnt a hole in households' budgets as it could squeeze Australians' spending power. Still, some experts believe that pent-

up savings will keep the economy afloat. Know what to expect from the Reserve Bank of Australia in this issue.

Kalkine Media also gets a sneak peek at recent developments of one of its valued clients – Stratiform - in the issue. Stratiform is a dynamic CRM implementation partner that offers consultation and deployment services to all Salesforce platform modules.

Rafael Nadal's two Grand Slam title wins in 2022 added colours to his already-decorated tennis career. With the 22nd Grand Slam title win at the French Open in June, he became the oldest player to do so. He is the youngest as well to secure all four Grand Slam titles. Is there any page from Nadal's book that businesses can borrow at a time when most global economic indicators are dimmed? Can Nadal's perseverance be the guiding light for business leaders -- both young and veterans, heading start-ups or established businesses? Know more in an interesting piece in the issue.

While EV markets are booming with unprecedented demand volumes, new advancements in the sector are continuously boosting their performance, making them a better alternative to conventional cars. The latest advancement is silicon

anode battery packs, which offer a longer range and faster charging features than traditional electric vehicles. Get in-depth insights on the emergence of silicon anodes to fast-track EV adoption in an exclusive and insightful piece in the July issue.

Did you know the Russian ruble is winning against the greenback? The ruble has outperformed all the currencies so far in 2022. During the initial days of the conflict with Ukraine, the ruble slumped and hit a low of RUB143 against the US dollar on 7 March 2022. The Russian government imposed a series of bans and restrictions on the trading of the ruble, which helped the currency appreciate significantly and the Russian currency currently trades ~RUB56 against the US dollar. Do not miss a fact-check piece on the Russian currency in the issue.



Kiara Khanna

Ideas? Questions? Thoughts? Concerns? Write to us at info@kalkinemedias.com. Hope you enjoy the July issue, share it with your network and stay connected with Kalkine Media for insightful financial content.

Stay Apprised, Invest Wise!



CONTENTS

01

Is crypto viable in the long term?

The lack of utility is said to be the biggest deterrent preventing crypto assets from ridding themselves of wild price fluctuations. The ongoing year has clearly highlighted the ultra-volatile nature of blockchain-powered digital currencies.

02

What RBA's back-to-back rate hikes mean for Aussies

The latest cash rate hike of 0.50% seems to have burnt a hole in households' budgets as it could squeeze their spending power.

03

Insights from a leading company

A sneak peek at the recent developments of one of our exclusive clients

04

Nadal personifies perseverance. What can businesses learn?

Nadal is no underdog. He is not a poor-turned-rich story who can serve as an inspiration. Instead, it is some other qualities of Nadal that, if adopted in word and spirit, can assist businesses.

05

Emergence of silicon anodes to fast-track EV adoption

Just like the evolution of major innovation and technologies, silicon anodes are rapidly evolving from a research and development stage to being used for electric vehicles and other real-life applications.

06

Did you know Russian ruble is winning against the greenback?

The Russian economy may be shrinking, but its currency is among the top performers this year against the mighty US dollar.

01

IS CRYPTO VIABLE IN THE LONG TERM?



By Ankit Sethi



Image Source: © Shutterstock.com

Lack of utility is said to be the biggest deterrent that is preventing crypto assets from ridding themselves of wild price fluctuations. The ongoing year has been a display of the ultra-volatile nature of these blockchain-powered digital currencies.

Are cryptos for the long term? A sentiment, HODL (hold on for dear life) reigned supreme in the cryptoworld until a few months back. It refers to many crypto enthusiasts ignoring any negative

or positive price movement and focusing on the longer horizon alone. In its run of nearly 13 years, Bitcoin has indeed grown from nothing to once valued more than tech giant Facebook.

Maybe, a section of crypto enthusiasts took a leaf out of this HODL book and waited for similar gains after having parked money, both from Bitcoin and altcoins (digital assets considered an alternative to Bitcoin).

CRYPTOCURRENCIES VS STOCKS

Holding onto an asset without talking about recurring income makes little sense. In the stock market, many securities, often large-cap blue-chips, come with dividend benefits. Here, the holder of the scrip derives a regular income in the form of dividends, announced after every fixed interval like

a month. Dividends are nothing but a share of the company's profit, distributed among investors.

Cryptos have no dividends. A few selected players like NASDAQ-listed BTCS may be providing 'bividend', but there is a very long road ahead, fraught

with ambiguities.

By this measure, these speculative assets make little sense for an investor looking at the longer horizon. However, what this investor might be anticipating is windfall capital gains. For example, many hugely popular cryptocurrencies like Dogecoin are priced under US\$1 per

token. Maybe, over the long term, the price will appreciate, mirroring Bitcoin's dream run, and a HODL investor will book gigantic returns by liquidating the asset.

But this is all 'maybe'. Maybe yes, or maybe no.

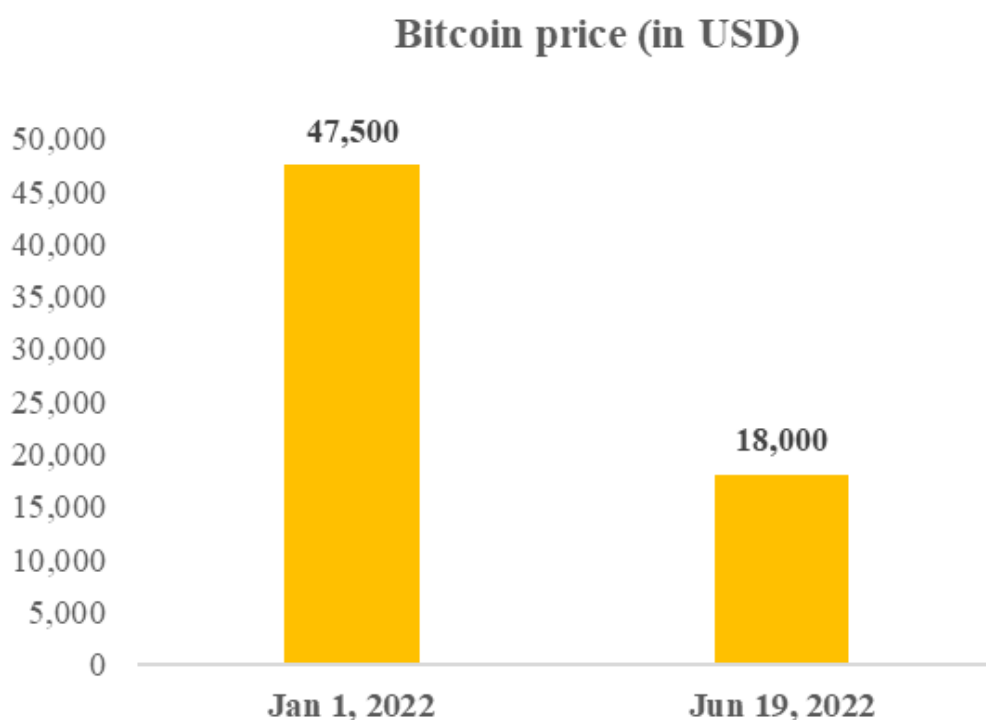
WAS TERRA AN EYE-OPENER?

TerraUSD was once a large-cap participant in the cryptoverse. For the unversed, it falls under the sub-category - stablecoin - within the wider cryptoverse. Stablecoins are pegged to mainstream assets like a fiat currency or precious metal.

In May this year, the TerraUSD stablecoin, which was supposed to maintain 1:1 peg with the US dollar, reeled from an unabated downward slide. The market cap of the stablecoin dwindled from the multi-billion range to millions' territory

in virtually no time. Bitcoin, which was already under stress over the first four months, suffered collateral damage from the TerraUSD debacle. The Terra ecosystem's other crypto token LUNA also crashed in the aftermath.

Terra's abrupt decline highlighted vulnerabilities of cryptoassets. It also underscored the fact that all assets within the cryptoverse are closely linked, with the positive or negative sentiment in one shaping the price movement of virtually all the others.



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Data Source: CoinMarketCap.com

THE LONG-TERM DEBATE

There could be many valid arguments to support even the theory that cryptos are for the long term.

Bitcoin, which had humble beginnings, aspired to compete with powerful fiat currencies. And ultimately, it saw takers in El Salvador, whose President declared Bitcoin as legal tender. Take a look at other developments as well. Today, stock markets in the US and Canada have Bitcoin ETFs, and the S&P Dow Jones'

indices are tracking Bitcoin's price movement.

Interestingly, some altcoins are also growing. Ethereum's blockchain has been widely embraced, which perhaps justifies the utility of its native ETH token. Maybe, if the project linked to any particular cryptocurrency shines, it is quite possible for the token to also gain value in the long term.

VIEWPOINT

What is certain in the world of cryptocurrencies is that everything is uncertain, as of now. This uncertainty is the reason for price fluctuations. When many people think these assets have no utility, the prices come crashing down. The reverse happens when many people think cryptoassets have utility. This is nothing but a wait-and-watch game.

Note to reader: Ankit Sethi is a journalist with Kalkine Media Australia, and an author with focus on content ranging from finance and development economics to law and international treaties, particularly the legal aspects underlying various financial instruments like equities, bonds, and the emerging asset class, cryptocurrencies. Opinions expressed in the article do not reflect the view of Kalkine Media and were prepared by Ankit Sethi in his personal capacity. They should not be construed as any indication of recommendations or advice on trading in cryptocurrencies. The recipient alone shall be fully responsible and/or are liable for any decision taken on the basis of this document and/or the information contained herein.

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02

WHAT RBA'S BACK-TO-BACK RATE HIKES MEAN FOR AUSSIES



By Akanksha Vashisht



Image Source: © 2022 Kalkine Media ®

The Reserve Bank of Australia (RBA) has been consistent in its approach to delivering surprises to the population. The RBA's moves have caught Aussies off-guard enough times now for them to expect the unexpected.

After repeatedly beating market expectations, the central bank delivered yet another blow to the market in June by announcing a supersized cash rate hike of 50 basis points. While the market had anticipated a rate hike ranging between 0.25% to 0.40%, the 0.50% rate

hike emerged as a bolt from the blue. Experts believe that the repayment shock created by the new rate hike would be extremely stressful for Australians.

Amidst the ongoing cost-of-living crisis, mortgage holders will now have to navigate through increasing monthly repayments. This has further clouded the outlook for economic growth in the coming months, fuelling speculations of a rapid reduction in household spending.

CAN HOUSEHOLDS MANAGE RATE HIKES?

The commercial banks lifted their interest rates quickly after the RBA's announcement of a cash rate hike. In other words, the rate hike was passed on to consumers in no time. However, many economists believe that higher interest rates might not create a significant dent in consumer demand.

Additionally, the expectations of wage hikes have arisen in the current inflationary environment, with a tight labour market providing higher negotiation power to employees. As per the Fair Work Commission (FWC), Australia's minimum wages will rise by 5.2% to A\$21.38 per hour.



Image Source: © 2022 Kalkine Media ®

Many households have been able to build massive savings throughout the lockdowns, which can be utilised in the present environment. These savings

have helped keep the economy buoyant despite the rising prices of goods and services.

WHAT TO EXPECT FROM RBA

Economists believe that the central bank is not done with its monetary policy tightening. It is common for central banks to take a tougher route during the early stages of policy tightening. Meanwhile, RBA chief Philip Lowe has warned that inflation may hit 7% by Christmas, fuelling speculations of additional rate hikes in the coming months.

More specifically, bankers have laid out the possibility of another rate hike of 50 basis points in July. Some of the country's biggest banks expect the cash rate to reach 1.35% by July. Additionally, speculations are rife that the cash rate will be raised to 2.6% by the end of this

year. This could inflict more pain on mortgage holders as their repayments would accelerate further.

Overall, the expectations of additional rate hikes have not been able to dent the buoyancy of the economy. Some experts suggest that the ongoing momentum of policy tightening could persist in the coming months. Meanwhile, households are anticipated to keep using their savings and maintain consumer demand. Regardless of domestic factors, little can be done to alleviate the pressure off households as most inflationary concerns stem from international events. However, the RBA is expected to continue raising rates till the economy reaches the target inflation band.





B2B

STRATIFORM MAKES A STRONG CASE FOR SALESFORCE IMPLEMENTATION



By Mohammad Zaid

With the pandemic accelerating the adoption of technology across the globe, businesses today are committed to enhancing their tech preparedness. They are readily embracing various technology solutions like CRM platforms to automate processes, deliver efficiencies, and boost productivity. During the process of implementing a CRM solution, it is not enough to merely find a solution that can potentially deliver all you want for your business. It

is equally critical to find a CRM platform implementation partner that ensures the right process is followed.

The right CRM systems implementation partner understands the needs of your business and strives to align the functionalities of the CRM software in line with the expectations of your business in order to deliver maximum value.



Image Source: © Ashachinnappa | Megapixel.com

WHY CRM?

One of the key reasons that businesses are increasingly implementing CRM software is that it can intelligently store and manage their customers' data. This further helps in managing customers in a better way as the analysed data can help in understanding the needs and preferences of customers to further offer them new and customised products/ services.

Furthermore, CRM software can also help a business find new customers and close more deals faster. Therefore, if effectively implemented, a CRM platform can enhance the overall productivity of a business.

INTRODUCING STRATIFORM

Stratiform Business Solutions is a Salesforce Partner that has years of experience in working with successful businesses. Stratiform is amongst Australia's most experienced players in the industry and is also one of the best Salesforce consultants in Melbourne.

Mr Mark Wheeler, the founder and currently the Director of Stratiform Business Solutions, is focused on the long-term success and continued growth of its clients on the platform.



Mark Wheeler, Founder and Director of Stratiform Business Solutions

Image Source: Company Website

Over the years, Stratiform has helped several businesses in identifying problem areas and recommending and implementing necessary changes that can help a business succeed.

Stratiform offers a variety of Salesforce,

Business and Training services. Thanks to years of in-depth experience, it can quickly deploy resources to establish tailored functionality, thus meeting the various needs of a business during its growth phase.

WORKING WITH THE FINEST COMPANIES IN MELBOURNE

Stratiform has been helping its clients achieve desired outcomes by leveraging the capabilities of the world's best solution accelerator and has partnered with the top system solutions available.

As a top-notch Salesforce consultant, Stratiform offers full-cycle consulting services that enable the clients to boost the potential of Salesforce to support their business needs.



Image Source: © Alphaspirt | Megapixl.com

Working with Salesforce since 2009, Stratiform has engaged with some renowned companies in Melbourne, Australia, including Energy Power Systems Australia, Instacare (NDIS

Provider), Melbourne Legacy (Not for Profit), Criterion Industries, Dragoman, Steinert Australia, Aus Asia Finance Hub (AAFH), and Gedeon Richter.

CREATING THE BEST POSSIBLE SALESFORCE EXPERIENCE

Stratiform has a highly professional certified staff who focus on providing the best solutions for their clients. Stratiform's skilled Salesforce Implementation Consultants make

sure that the process is accurately and competently executed as they engage clients in the implementation process from scratch.



Image Source: © Rawpixelimages | Megapixl.com

Furthermore, Stratiform encourages and maintains constant communication with its clients through meetings on a weekly basis. This allows them to understand the long-term goals of the clients. Stratiform strives to offer the latest solutions to its clients amid a highly dynamic business environment.

Stratiform identifies relevant Salesforce features that can benefit businesses and ensure that their customers realise the benefits.

04

NADAL PERSONIFIES PERSEVERANCE. WHAT CAN BUSINESSES LEARN?



By Ankit Sethi



Image Source: © Shutterstock.com

He is not the most followed sportsperson on Instagram or Twitter. He is also not the highest-paid athlete either. But tennis great Rafael Nadal could pull off feats that brought smiles to millions of faces worldwide amid a subdued socio-economic landscape of this ongoing year.

When Nadal won the 2022 Australian Open in January for his 21st major singles title, he surpassed feats of his

peers Roger Federer and Novak Djokovic. As the undisputed king of clay, Nadal improved on his record with his 14th French Open title, beating Casper Ruud in the title clash this month despite a nagging foot issue. For the 36-year-old Spaniard tennis great, it was the re-assertion of his authority over the beloved sport. Does all this have a lesson for businesses, a majority of which are reeling today under multiple jolts?

EASY BEGINNINGS

Nadal is no underdog. He is not a poor-turned-rich story who can serve as an inspiration. Instead, it is some other qualities of Nadal that, if adopted in word and spirit, can assist businesses. One of Nadal's uncles is a retired professional

footballer, another is a renowned tennis coach. The Spaniard legend indeed had a lot with him to start well, but it is only a half-truth that all these blessings add to an individual's success, (read sustainable success). For Nadal, blessings may have

brought their own set of burdens and demands.

For businesses today, the beginning and the initial push are not as demanding as it was in a world where access to private equity was restricted. Global investors have jumped on the start-

up bandwagon, with funds like Tiger Global and Sequoia Capital helping small businesses become big. Angel and early-stage investors like 500 Investors and Y Combinator have international reach. If Nadal had a flourished family, start-ups of today also have the support of these ready-to-back-a-good idea funds.

ROUGH PATCHES

Rafael Nadal has also had his shares of setbacks all through his shining career. In early 2015, he lost his Qatar Open title, which was followed by his defeat in the Australian Open quarter-final, and also losses at the Rio Open, the Indian Wells Open, and the Miami Open, and his downfall in the French Open and the US Open. But Nadal's persistence did not allow the subdued phase to last long. He won his second Olympic gold in 2016, although he continued to struggle with physical injuries.

Not to forget Nadal's much-documented struggle at the Wimbledon's grass surface. Businesses too have bad

phases, no matter how dominant, cash-rich they are.

And for businesses as well, it is persistence alone that can assist overcome cyclical disturbances. In this pandemic-recovery phase, where businesses are expected to operate at maximum scale, issues like disturbances in the global supply chain and the hit to consumer sentiment, thanks to high inflation, are the biggest dampeners. Separately, the global stock market is under stress, arguably signalling towards weak sentiments of both retail and institutional investors.

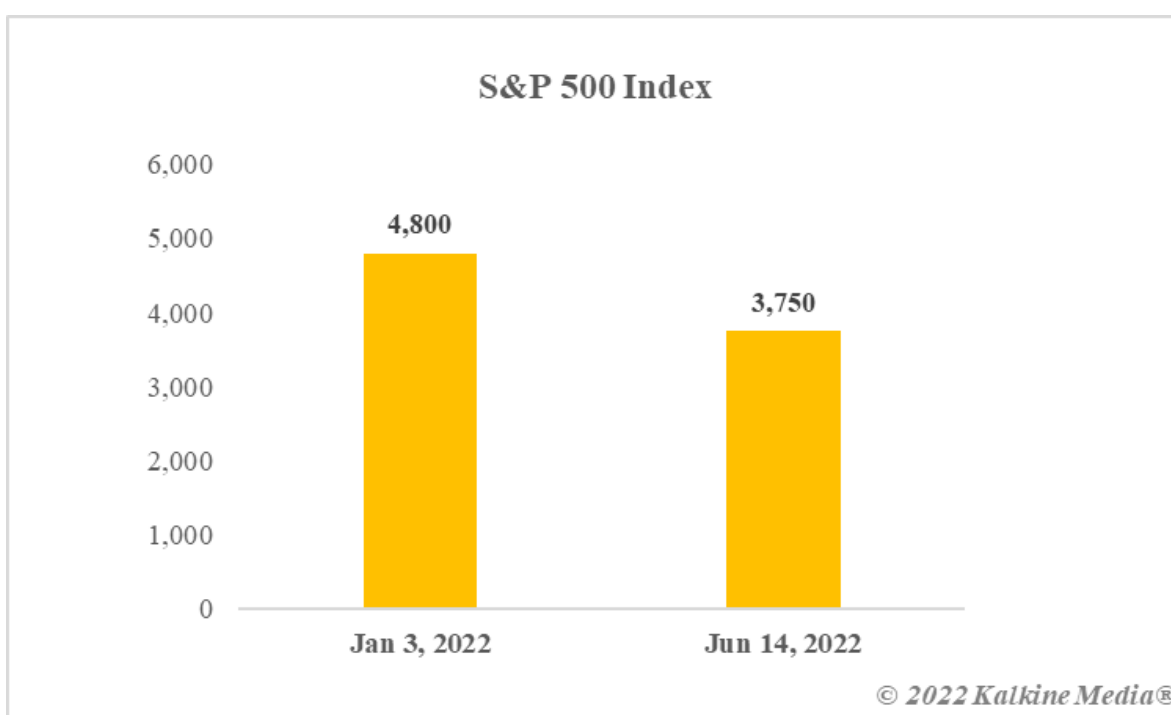


Image Description: S&P 500 Index down ~22% on YTD basis

BORROWING NADAL'S PERSISTENCE

Persistence is what can keep things afloat. Nadal is on a record-extending ride, and for the global industry, it is about building on past successes of industrial revolutions pertaining to energy, the internet, among other developments. Persistence can lead to innovation, which can revive everything, from global economic growth and job creation to consumer sentiment and

stock markets.

Nadal isn't the most followed athlete on social media platforms. He has also had his subdued phases that were without titles, with injuries. But similar to how he has pulled off feats, businesses of today will have to as well, to bring back smiles to billions of faces amid a subdued socio-economic landscape.



Image Source: Shutterstock.com

05

EMERGENCE OF SILICON ANODES TO FAST-TRACK EV ADOPTION



By Akshay

What if your new swanky electric car could be fully charged in less than 10 minutes? Well, this could now be a reality. A California-based battery firm, Enovix has introduced a new type of silicon-anode lithium-ion battery, claiming that it could fully charge under 10 minutes.

An anode can be made up of different

materials including zinc, lithium, platinum and graphite. An ideal anode must be a reducing agent with good electrical conductivity, stability and high electrical output (also called coulombic output). Traditionally, graphite is used as a common anode material with some of the market players now switching to lithium-alloyed metals.



Image Source: © Ezthaipphoto | Megapixl.com

WHY SILICON ANODES?

In comparison to silicon, graphite has far less energy storage capacity. However, graphite has been widely adopted by the industry as silicon anodes face several technical problems like swelling, first cycle loss, etc. Silicon has an energy storage capacity of about 4,000 mAh/g, which is over tenfold greater than graphite that is used in batteries.

Silicon anodes' extended capacity and quick charging speed could accelerate the pace of adoption of electric vehicles and could change the game forever in favour of EVs. Still, safety and other issues pertaining to silicon anode remain and a plausible solution to the puzzle could be the key to the electric mobility paradox.

LATEST DEVELOPMENTS IN SILICON ANODE INDUSTRY

While some believe, the silicon anode sector is still at a nascent stage, silicon anode companies have attracted significant fundings in the recent years. These silicon anode players have already begun to license their technologies, enter into supply contracts and introduce their products in early adopter markets.

A lesser-known company “Sila” was formed over 10 years ago by an ex-early employee of Tesla, Gene Berdichevsky. The founder is prominently known to be the first one to have installed a laptop battery into a Lotus sports car.

The little-known company came into spotlight after the iconic carmaker, Mercedes, announced that its electric G Class would be powered by Sila cells. The company focuses on replacing conventional graphite anodes with silicon ones for lithium-ion battery packs.

Sila believes that it has solved the issues with silicon anodes and expects to begin the production of the new battery packs from its Moses Lake facility from 2024.

Among other companies, Enevate has also chosen a licensing path for its silicon anode technology and entered into a partnership with EnerTech International. Evonix has gone public via a special purpose acquisition company (SPAC) valuing its company at over US\$1.1 billion. Another silicon anode player has entered into a joint venture with battery major, SK materials, to commercially manufacture its anode material.

Just like the evolution of major innovation and technologies, silicon anodes are rapidly evolving from a research and development stage to being used for electric vehicles and other real-life applications.

06

DID YOU KNOW RUSSIAN RUBLE IS WINNING AGAINST THE GREENBACK?



By Nitish Kumar



Image Source: © 2022 Kalkine Media ®

The performance of Russian currency, the ruble, against the greenback comes as a big surprise to many observers. Many would have assumed that with Russia embroiling in a slew of sanctions, the embargo on the ruble would weaken and collapse. But ruble has managed to duck issues and come out stronger. The Russian economy may be shrinking, but its currency is among the top performers this year against the mighty US dollar.

Soon after Russia invaded Ukraine, the

Russian currency as expected tanked to hit a low of 143 rubles against the US dollar on 7 March 2022. Before the Russian invasion, the US dollar was trading in the range of 75-80 rubles. However, thanks to a series of steps taken by the Russian government, its currency made a U-turn and strengthened strongly against the US dollar, making it the one of the-best performer against the mighty dollar in 2022. As of 17 June 2022, the exchange rate is RUB56 for one US\$.



RUB Vs US\$ on a YTD basis
(Image Source: Refinitiv; Analysis: Kalkine Media®)

PUTIN'S CRACKDOWN ON DOLLAR

Usually, currencies follow economic trajectories. In Russia's case, the government limited the selling and forced purchases of the ruble to push it higher. Economists and analysts argue that the ruble's recovery is partly on account of Russian policies and partly due to large Russian commodity exports.

In addition, Kremlin also limited the amount of dollars Russians can withdraw from foreign bank accounts and prohibited banks from selling foreign currency to their customers.

The sanctions reduced imports and exports of Russian commodities, which fuelled a rally in several commodities. The combination of sanctions and high prices of commodities provided more upside to the ruble. Russia has also asked European countries to pay for its

natural gas in rubles.

There are media reports that at least 10 natural gas importing companies in Europe have opened ruble accounts in April 2022.

These efforts from Moscow come at a cost. The central bank had to double its prime interest rate to 20% in the aftermath of the war, essentially rewarding ruble holders, but putting additional pressure on the economy.

A strong ruble threatens to affect the budget of the country by reducing the value of oil and gas tax revenues which are in dollars. A stronger ruble means Russia will get fewer rubles per dollar as their exporting companies convert foreign currency payments into RUB.

CENTRAL BANK'S ROLE

Russia has been lately taking steps to weaken forex. Russia's central bank slashed the interest rate to 11% from 14%, making holding rubles less attractive. The government also eased capital control and now companies need to convert 50% of their foreign currencies into the ruble. Earlier, it was mandatory 80%.

Kremlin's synthetic marketplace manoeuvres seem to outperform countries like Argentina and Turkey after they tried similar measures.

Strict capital controls have generated a bigger spread in the offshore ruble rate.

This may discourage currency traders from using the onshore exchange rate for transactions.

The global economy is reeling under high inflation pressures, which has forced central banks to raise interest rates. The US Fed on 15 June 2022 increased its rate by 75 bps, a rate hike of this magnitude last seen decades ago. These moves will impact exchange rates across the world. The Russia vs Ukraine war is still on and has not shown any signs of stopping. Forex market participants are closely watching the events unfold.

Previous Versions



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